

B1040 (FORM 1040) (12/15)

ADVERSARY PROCEEDING COVER SHEET (Instructions on Reverse)		ADVERSARY PROCEEDING NUMBER (Court Use Only)
PLAINTIFFS Diamond Sports Group, LLC and Diamond Sports Net, LLC		DEFENDANTS See attached
ATTORNEYS (Firm Name, Address, and Telephone No.) Porter Hedges LLP, 1000 Main St., Houston, TX 77002 Paul, Weiss, Rifkind, Wharton & Garrison LLP, 1285 Avenue of the Americas, New York, NY 10019		ATTORNEYS (If Known) Kirkland & Ellis, 300 N LaSalle, Chicago, IL 60654
PARTY (Check One Box Only) <input checked="" type="checkbox"/> Debtor <input type="checkbox"/> U.S. Trustee/Bankruptcy Admin <input type="checkbox"/> Creditor <input type="checkbox"/> Other <input type="checkbox"/> Trustee		PARTY (Check One Box Only) <input type="checkbox"/> Debtor <input type="checkbox"/> U.S. Trustee/Bankruptcy Admin <input type="checkbox"/> Creditor <input checked="" type="checkbox"/> Other <input type="checkbox"/> Trustee
CAUSE OF ACTION (WRITE A BRIEF STATEMENT OF CAUSE OF ACTION, INCLUDING ALL U.S. STATUTES INVOLVED) See attached		
NATURE OF SUIT (Number up to five (5) boxes starting with lead cause of action as 1, first alternative cause as 2, second alternative cause as 3, etc.)		
FRBP 7001(1) – Recovery of Money/Property <input type="checkbox"/> 11-Recovery of money/property - §542 turnover of property <input type="checkbox"/> 12-Recovery of money/property - §547 preference <input checked="" type="checkbox"/> 13-Recovery of money/property - §548 fraudulent transfer <input checked="" type="checkbox"/> 14-Recovery of money/property - other		FRBP 7001(6) – Dischargeability (continued) <input type="checkbox"/> 61-Dischargeability - §523(a)(5), domestic support <input type="checkbox"/> 68-Dischargeability - §523(a)(6), willful and malicious injury <input type="checkbox"/> 63-Dischargeability - §523(a)(8), student loan <input type="checkbox"/> 64-Dischargeability - §523(a)(15), divorce or separation obligation (other than domestic support) <input type="checkbox"/> 65-Dischargeability - other
FRBP 7001(2) – Validity, Priority or Extent of Lien <input type="checkbox"/> 21-Validity, priority or extent of lien or other interest in property		FRBP 7001(7) – Injunctive Relief <input type="checkbox"/> 71-Injunctive relief – imposition of stay <input type="checkbox"/> 72-Injunctive relief – other
FRBP 7001(3) – Approval of Sale of Property <input type="checkbox"/> 31-Approval of sale of property of estate and of a co-owner - §363(h)		FRBP 7001(8) Subordination of Claim or Interest <input type="checkbox"/> 81-Subordination of claim or interest
FRBP 7001(4) – Objection/Revocation of Discharge <input type="checkbox"/> 41-Objection / revocation of discharge - §727(c),(d),(e)		FRBP 7001(9) Declaratory Judgment <input type="checkbox"/> 91-Declaratory judgment
FRBP 7001(5) – Revocation of Confirmation <input type="checkbox"/> 51-Revocation of confirmation		FRBP 7001(10) Determination of Removed Action <input type="checkbox"/> 01-Determination of removed claim or cause
FRBP 7001(6) – Dischargeability <input type="checkbox"/> 66-Dischargeability - §523(a)(1),(14),(14A) priority tax claims <input type="checkbox"/> 62-Dischargeability - §523(a)(2), false pretenses, false representation, actual fraud <input type="checkbox"/> 67-Dischargeability - §523(a)(4), fraud as fiduciary, embezzlement, larceny (continued next column)		Other <input type="checkbox"/> SS-SIPA Case – 15 U.S.C. §§78aaa <i>et.seq.</i> <input checked="" type="checkbox"/> 02-Other (e.g. other actions that would have been brought in state court if unrelated to bankruptcy case)
<input checked="" type="checkbox"/> Check if this case involves a substantive issue of state law <input type="checkbox"/> Check if a jury trial is demanded in complaint		<input type="checkbox"/> Check if this is asserted to be a class action under FRCP 23 Demand \$ Amount to be determined at trial
Other Relief Sought		

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BANKRUPTCY CASE IN WHICH THIS ADVERSARY PROCEEDING ARISES				
NAME OF DEBTOR	Diamond Sports Group, LLC, <i>et al.</i>		BANKRUPTCY CASE NO.	23-90116
DISTRICT IN WHICH CASE IS PENDING Southern District of Texas		DIVISION OFFICE Houston Division	NAME OF JUDGE Christopher M. Lopez	
RELATED ADVERSARY PROCEEDING (IF ANY)				
PLAINTIFF	DEFENDANT		ADVERSARY PROCEEDING NO.	
DISTRICT IN WHICH ADVERSARY IS PENDING		DIVISION OFFICE	NAME OF JUDGE	
SIGNATURE OF ATTORNEY (OR PLAINTIFF)				
<i>/s/ John F. Higgins</i>				
DATE	PRINT NAME OF ATTORNEY (OR PLAINTIFF)			
July 19, 2023	John F. Higgins			

INSTRUCTIONS

The filing of a bankruptcy case creates an “estate” under the jurisdiction of the bankruptcy court which consists of all of the property of the debtor, wherever that property is located. Because the bankruptcy estate is so extensive and the jurisdiction of the court so broad, there may be lawsuits over the property or property rights of the estate. There also may be lawsuits concerning the debtor’s discharge. If such a lawsuit is filed in a bankruptcy court, it is called an adversary proceeding.

A party filing an adversary proceeding must also must complete and file Form 1040, the Adversary Proceeding Cover Sheet, unless the party files the adversary proceeding electronically through the court’s Case Management/Electronic Case Filing system (CM/ECF). (CM/ECF captures the information on Form 1040 as part of the filing process.) When completed, the cover sheet summarizes basic information on the adversary proceeding. The clerk of court needs the information to process the adversary proceeding and prepare required statistical reports on court activity.

The cover sheet and the information contained on it do not replace or supplement the filing and service of pleadings or other papers as required by law, the Bankruptcy Rules, or the local rules of court. The cover sheet, which is largely self-explanatory, must be completed by the plaintiff’s attorney (or by the plaintiff if the plaintiff is not represented by an attorney). A separate cover sheet must be submitted to the clerk for each complaint filed.

Plaintiffs and Defendants. Give the names of the plaintiffs and defendants exactly as they appear on the complaint.

Attorneys. Give the names and addresses of the attorneys, if known.

Party. Check the most appropriate box in the first column for the plaintiffs and the second column for the defendants.

Demand. Enter the dollar amount being demanded in the complaint.

Signature. This cover sheet must be signed by the attorney of record in the box on the second page of the form. If the plaintiff is represented by a law firm, a member of the firm must sign. If the plaintiff is pro se, that is, not represented by an attorney, the plaintiff must sign.

Defendants

Sinclair Broadcast Group, Inc.

Sinclair Television Group, Inc.

Diamond Sports Topco LLC

Diamond Sports Intermediate Holdings LLC

Diamond Sports Intermediate Holdings A LLC

Diamond Sports Holdings LLC

David Smith

Christopher Ripley

Lucy Rutishauser

Scott Shapiro

Bally's Corporation

Causes of Action

COUNT I: Avoidance of the Distributions from DSG to DSIH as an Actual Fraudulent Transfer Against DSIH under 11 U.S.C. §§ 548 and 544(b), Maryland Uniform Fraudulent Conveyance Act, and/or Delaware Uniform Fraudulent Transfer Act

COUNT II: Avoidance of the Distributions from DSG to DSIH as Constructively Fraudulent Transfers Against DSIH under 11 U.S.C. §§ 548 and 544(b), Maryland Uniform Fraudulent Conveyance Act, and/or Delaware Uniform Fraudulent Transfer Act

COUNT III: Recovery of Avoided Fraudulent Transfers of the Distributions from DSG to DSH Against DSIH, DSIH-A, DSH, and SBG under 11 U.S.C. §§ 550

COUNT IV: Avoidance and Recovery of the Distributions from DSG to DSH as Unlawful LLC Distributions against DSIH under 6 Del. C. § 18-607

COUNT V: Avoidance of MSA Payments as Actual Fraudulent Transfers against STG and SBG under 11 U.S.C. §§ 548 and 544(b), Maryland Uniform Fraudulent Conveyance Act and/or Delaware Uniform Fraudulent Transfer Act

COUNT VI: Avoidance of MSA Payments as Constructively Fraudulent Transfers against STG and SBG under 11 U.S.C. §§ 548 and 544(b), the Maryland Uniform Fraudulent Conveyance Act, and/or the Delaware Uniform Fraudulent Transfer Act

COUNT VII: Recovery of Avoided Fraudulent Transfer of MSA Payments against STG and SBG under 11 U.S.C. §§ 550

COUNT VIII: Breach of MSA against STG

COUNT IX: Avoidance of the Bally's Transaction as an Actual Fraudulent Transfer against SBG under 11 U.S.C. §§ 548 and 544(b), the Maryland Uniform Fraudulent Conveyance Act, and/or the Delaware Uniform Fraudulent Transfer Act

COUNT X: Avoidance of the Bally's Transaction as a Constructively Fraudulent Transfer against SBG under 11 U.S.C. §§ 548 and 544(b), the Maryland Uniform Fraudulent Conveyance Act, and/or the Delaware Uniform Fraudulent Transfer Act

COUNT XI: Recovery of Avoided Fraudulent Transfer of Value of Naming Rights against SBG and Bally's under 11 U.S.C. § 550

COUNT XII: Breach of MSA against STG Related to Bally's Transaction

COUNT XIII: Unjust Enrichment against STG and SBG Related to Bally's Transaction (in the Alternative to Count XII)

COUNT XIV: Breach of the Implied Covenant of Good Faith and Fair Dealing Against DSIH Related to Misappropriation of Diamond Employees and Assets

COUNT XV: Unjust Enrichment against STG and SBG Related to Misappropriation of Diamond Employees and Assets (In the Alternative to Count XIV)

COUNT XVI: Breach of Fiduciary Duty Against Smith, Ripley, Rutishauser, and Shapiro Under Delaware Law

COUNT XVII: Breach of Fiduciary Duty against SBG Under Delaware Law

COUNT XVIII: Aiding and Abetting Breach of Fiduciary Duty Against Ripley, Rutishauser, Smith, Shapiro, and SBG Under Delaware Law (In the Alternative to Count XVI and Count XVII)

COUNT XIX: Alter Ego and Piercing the Corporate Veil against DSIH, DSIH-A, DSH, and TopCo